



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH DEVELOPMENT AND ACQUISITION
103 ARMY PENTAGON
WASHINGTON DC 20310-0103



REPLY TO
ATTENTION OF

25 MAR 1997

SARD-PS

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: FY 97 Operations and Maintenance, Army OMA Funding
Reductions - Acquisition Workforce

Over the past year, the Contracting Functional Area Assessment (FAA) has been working to select the best contracting organizational structure in order to support the Force XXI Institutional Army Redesign. During this time, and as a direct result of our combined efforts, we have validated reductions of 670 Full Time Equivalents (FTEs) in the contracting workforce. These reductions have been implemented in POM 98-03 and equate to approximately \$184 million in savings over the FY 98-03 period. We are now moving ahead to reorganize the Army's contracting structure based upon a MACOM Centers and Satellites approach. This reorganization has been approved by the Army Chief of Staff and is currently being implemented based upon my January 29, 1997, memorandum (Attachment). This organizational restructuring along with the systematic reduction in the contracting workforce will not only allow us to meet our goal of redesigning Army contracting to meet the challenges of the 21st Century, but will allow us to account for additional savings from the contracting community in POM 98-03. From FY 89 through FY 01 the Army has taken an aggressive approach in reducing its total contracting workforce by 5,692 FTEs (44 percent). This reduction will optimize mission performance while avoiding serious contract protests and legal problems and will also maximize efficiency in contracting for \$30 billion a year. This reorganization and the streamlining cuts should place contracting in good shape for Army Force XXI.

The purpose of this memorandum is to make you aware of where we are going in Army contracting and ask your cooperation in achieving this challenging task. In addition, when future general cuts and downsizing are necessary, and if your contracting workload remains the same, I ask you to look carefully before cutting contracting below this 44 percent reduction level.

Gilbert F. Decker
Assistant Secretary of the Army
(Research, Development and Acquisition)

Attachment